

## **MINUTES**

### **MONTANA SENATE 58th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON LOCAL GOVERNMENT**

**Call to Order:** By **CHAIRMAN JOHN C. BOHLINGER**, on March 13, 2003  
at 3:00 P.M., in Room 335 Capitol.

#### **ROLL CALL**

**Members Present:**

Sen. John C. Bohlinger, Chairman (R)  
Sen. John Esp, Vice Chairman (R)  
Sen. Jerry W. Black (R)  
Sen. Brent R. Cromley (D)  
Sen. Kelly Gebhardt (R)  
Sen. Bill Glaser (R)  
Sen. Rick Laible (R)  
Sen. Carolyn Squires (D)  
Sen. Mike Wheat (D)  
Sen. Jim Elliott (D)

**Members Excused:** None.

**Members Absent:** Sen. Jeff Mangan (D)

**Staff Present:** Leanne Kurtz, Legislative Branch  
Phoebe Olson, Committee Secretary

**Please Note.** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing & Date Posted: HB 520, 3/7/2003; HB 583, 3/7/2003;  
HB 635, 3/7/2003  
Executive Action: HB 339; HB 520; HB 583; HB 635

**HEARING ON HB 520**

**Sponsor:** REPRESENTATIVE RON ERICKSON, HD 64, Missoula

**Proponents:**

Terry Kendrick, Homewood

Peggy Trenk, MT Association of Realtors

Lani Candelora, MT Catholic Conference

Stuart Doggett, MT Manufactured Housing and RV Association

Steve Yeakel, MT HRDC Directors Association

**Information:**

Bruce Brensdale, Executive Director MT Board of Housing

**Opening Statement by Sponsor:**

REPRESENTATIVE RON ERICKSON, HD 64, Missoula, said that House Bill 520 would create a blue ribbon committee on affordable housing. It establishes memberships, duties, responsibilities and so forth. He maintained that two years ago there were two bills that made it through the whole process to help fund an affordable housing account and a revolving loan account and that was an up and going process. He said the committee would consist of two people from the House, two from the Senate, a representative from the housing development community, someone from the building association, someone from the Realtors, someone from the housing division within the department of commerce, a representative from a private non-profit entity, a representative from a private lending institution, and a representative from a local housing authority. He thought there may be others who might want to be at such meetings, for example manufactured housing. He certainly agreed they should be at such meetings, but he had used restraint in holding the committee to ten people. He said the next important part of the bill was on page 2, new section 3, which said the purpose of this particular blue ribbon committee was to identify and analyze government regulations, processes, and costs that hinder the construction of affordable housing. They are to help identify and analyze specific impediments to housing affordability in the private housing market, and then to research programs that have been successful in other jurisdictions to increase the number of affordable housing units. Finally they were to study ways to continue to put money into the affordable housing revolving loan account.

**Proponents' Testimony:**

**Terry Kendrick, Homeword** relayed that home ownership was a part of the American dream. Home ownership is the one asset that people count on to supplement their retirement needs, however over 50% of Montanans cannot afford to buy their own home. A lack of affordable housing is linked to increased job turnover, job instability, poor performance in schools for children, and greater health and safety risks. Rural and urban counties in Montana have a desperate need for more availability of affordable housing. HB 520 would bring people together to determine how the public and private sectors can work together to solve this problem. Please support HB 520.

**Peggy Trenk, MT Association of Realtors** said they wholeheartedly supported HB 520 and thanked the sponsor for bringing it forward. She said her organization did not support studies just for the sake of studies, but this issue was critical. She said her association talked more about attainable housing than affordable housing because it hits a range of incomes, the ability to find decent affordable housing is not just limited to those on the very low end of the economic scale, it's across the board, and becoming a bigger problem both nationally and in Montana. She liked that the committee would look at a whole range of options. Her association was committed to help further the work of this study, and looked forward to doing that. She asked for the committees support. She also submitted a letter from Tim Davis.

**EXHIBIT (los53a01)**

**Lani Candelora, MT Catholic Conference** said they recognized that without housing stability, healthy family and job retention is an impossibility. She said all too often Montanans must use a disproportionate part of their income for housing, leaving no money available for other necessities. Housing difficulties directly contribute to family poverty, and unfortunately low income minorities and people with disabilities are impacted by lack of affordable housing. She maintained they were in strong support of the bill.

**Stuart Doggett, MT Manufactured Housing and RV Association** said they were in support of the bill. He said it was very well intended. He handed out a brochure that talked about the state of the Manufactured Housing industry. He believed they were providing affordable housing in this state. **EXHIBIT (los53a02)**

**Steve Yeakel, MT HRDC Directors Association** said they had been actively involved in affordable housing issues for quite a long time. He said they were in support of the bill.

**Informational Testimony:**

**Bruce Brensdal, Executive Director of the Board of Housing** made himself available to answer questions.

**Questions from Committee Members and Responses:**

None

**Closing by Sponsor:**

**REPRESENTATIVE ERICKSON** said he was delighted there were no opponents. He thanked the committee for their time and asked for their support.

**HEARING ON HB 635**

**Sponsor:** **REPRESENTATIVE GARY FORRESTER, HD 16, Billings**

**Proponents:**

**Bob Gilbert, MT Tow Truck Association**  
**Jim Dusenbery, MT Tow Truck Association**  
**LeRoy Matthews, MT Tow Truck Association**  
**Dennis Frownfelter, MT Tow Truck Association**  
**Tom McGree, Milo's Towing**  
**Don Cerovsky, MT Tow Truck Association**  
**Carl Halcro, Carl's Exxon and Towing**  
**Frank Stoltz, Franks Body Shop**  
**Harold Blattie, MT Association of Counties**

**Opponents:**

None

**Opening Statement by Sponsor:**

**REPRESENTATIVE GARY FORRESTER, HD 16, Billings** said this bill related to Tow Truck laws. He said the intent of the bill was covered in the title, and in interest of time he turned the meeting over to those who wished to testify.

**Proponents' Testimony:**

**Bob Gilbert, MT Tow Truck Association** said he could go through the bill in a nutshell, and if they needed more explanation he could do that. He said the bill revised laws relating to abandoned, wrecked, and junk vehicles. It would allow certain abandoned vehicles to be disposed of in the same manner as junk vehicles. It would allow qualified tow truck operators to obtain certificates of release and ownership from the sheriff or city police as the case may be in an expedited manner. It would also

allow tow truck operators to recover towing and storage charges from responsible parties for wrecked or disabled vehicles recovered at the request of law enforcement officers. Should the responsible party refuse to pay it allows for a process to gain ownership of the vehicle and allow the tower to dispose of it. He said it was a fairly simple bill. He went through each section and explained how the bill would work. He said there were a number of proponents, and he made himself available for questions.

**Jim Dusenbery, MT Tow Truck Association** said this bill was very important to the towing industry. He thought between a quarter and a third of the vehicles he towed were uninsured. He said when law enforcement calls them they go to a scene, clean up any messes and tow the vehicles back to their yard and store them. They then give notice to the owner. Usually they are stuck with the vehicle. He said they do have the option to do a sheriff sale, but that process costs about \$250 to \$300 dollars. He showed the committee some pictures. He said if you took the cost of the tow, added storage and a sheriff sale, then you sent it to the crusher to get \$14 back, the math doesn't quite work out. He maintained that they do take a loss quite often. He said the new section of the law would allow them to deal with vehicles that might have some type of salvage. He urged the committees support.

**LeRoy Matthews, MT Tow Truck Association** said they have the same problem as everyone else; to get rid of one of these vehicles they have to do a sheriff sale, and lately they have had to have an assurity bond to protect the sheriff, which costs even more money. He said all the tow truck operators in Park County were in agreement to recommend the committee pass the bill.

**Dennis Frownfelter, MT Tow Truck Association** said he had the consensus of the seventeen operators in the Whitefish area to support this bill.

*{Tape: 1; Side: B}*

**Tom McGree, Milo's Towing** made the point that this was definitely a consensus bill. He asked for the committees support.

**Don Cerovsky, MT Tow Truck Association** said there are some expenses that go along with dealing with abandoned vehicles. He said they had also encountered a staggering increase in insurance costs, and without some assistance in being able to dispose of some of these vehicles it was becoming a heavy burden on the industry. He said he would appreciate their support of the bill.

**Carl Halcro, Carl's Exxon and Towing** said they were in support of the bill.

**Frank Stoltz, Franks Body Shop** said they were in full support of the bill.

**Harold Blattie, MT Association of Counties** said they were in support of the bill, because the sheriff's sale process was a lengthy, cumbersome and costly process. He said this would save money. He said the finer point of the bill was on the last page, and he was assured that there would not be a conflict. He asked for the committee's support.

**Opponents' Testimony:**

None

**Questions from Committee Members and Responses:**

**SENATOR CROMLEY** asked Bob Gilbert how the system worked in regards to who had to pick up the wrecked vehicles.

**Bob Gilbert** replied if you were on the law enforcement rotation system, you had an obligation to pick up the vehicle if you were called.

**SENATOR LAIBLE** said he thought a lot of vehicles would hit the market at the same time if the bill was passed, so how would they dispose of them.

**Jim Dusenberry** explained that the particular vehicles they were speaking of were junk vehicles, and they would be taken to a local recycler or junk yard.

**SENATOR LAIBLE** asked if they would get any of their costs back.

**Jim Dusenberry** said basically they would be cutting their losses.

**SENATOR LAIBLE** asked what prompted these types of tows.

**Bob Gilbert** replied the vehicles discussed in this bill are all picked up at the request of law enforcement.

**SENATOR LAIBLE** said he was concerned about misuse.

**Bob Gilbert** said there was no concern because tow operators only respond to law enforcement calls.

**SENATOR WHEAT** asked if there was an average cost to a driver of what it costs them to keep a vehicle on a lot for 90 days or more.

**Bob Gilbert** replied that Mr. Dusenberry could answer that.

**Jim Dusenberry** replied that they pay insurance of about 10 dollars a day.

**SENATOR WHEAT** said in other words, this would save them a bunch of money

**Jim Dusenberry** replied it would cut their losses.

**SENATOR WHEAT** asked if Dennis Frownfelter could respond to his question.

**Dennis Frownfelter** responded that they have to pay yard insurance, so if your car was picked up and put in their yard, it would be covered by their insurance. He said it was costing them over ten dollars a day, even if they are junk vehicles.

**Closing by Sponsor:**

**REPRESENTATIVE FORRESTER** said he thought they had seen the problems the industry was facing. He said he had been assured that tow truck operators all over the state were on board. He asked the committee for their support.

**HEARING ON HB 583**

**Sponsor:** REPRESENTATIVE ROY BROWN, HD 14 Billings

**Proponents:**

Jani McCall, City of Billings

**Information:**

Jim Currie, MT Department of Transportation

**Opening Statement by Sponsor:**

**REPRESENTATIVE ROY BROWN, HD 14 Billings** said this bill would authorize counties and municipalities to establish a transportation improvement authority. He said the purpose was delineated in new Section 1. He said the issue of the

transportation authority had its origins with a group in Billings that had been working on a railroad track situation in downtown Billings for decades. He said this was not just a Billings issue or just a railroad issue, it can be used in any community in the state, and used for all kinds of transportation challenges. He said it was a unique approach and was similar to economic development authority. It allows the authority to go out and raise funds or grants, and combine that with local funds, and private businesses, to partnership in transportation ventures that make sense for their community. It is local control at its very best. He said he thought there was a need for this. He said he would be happy to answer questions.

**Proponents' Testimony:**

**Jani McCall, City of Billings** read a statement from Ramona Maddix. **EXHIBIT**(los53a03)

**Informational Testimony:**

**Jim Currie, MT Department of Transportation** said the Department currently works extensively with local governments on transportation issues. He wanted the committee to know if the bill passed they would work with these groups as well.

**Tim Davis, MT Smart Growth Coalition**, submitted a letter. **EXHIBIT**(los53a04)

**Questions from Committee Members and Responses:**

**SENATOR SQUIRES** said there was a Missoula/Ravalli transportation project. She wondered if this was the same thing.

**Jim Currie** said he thought this bill provides an organization that could more effectively draw in more sources of funding for transportation projects.

**{Tape: 2; Side: A}**

**SENATOR WHEAT** said he liked the concept. He wondered if there had been ongoing discussions with the railroad about them participating in this since they seem to be a driving reason for this bill.

**REPRESENTATIVE BROWN** said the driving reason for this bill was the continued frustration with the people to try to come up with a solution to even study the issue of the railroad crossing in Billings, and finding a vehicle to combine funds with the private



business that are affected by the railroads, and getting government grants, and maybe even complete government appropriations so that the concept of doing something about the tracks can be studied. Hopefully then they can come up with a viable solution.

**SENATOR WHEAT** asked if this legislation was modeled from another state's legislation.

**REPRESENTATIVE BROWN** said he believed some of the information was from Washington State.

**SENATOR WHEAT** said he had a letter from Tim Davis that said he would like to see the bill amended to allow for multiple counties to establish a transportation authority. The letter said the sponsor did not favor that amendment, he wondered why.

**REPRESENTATIVE BROWN** said he wasn't sure he favored or disfavored it, he just thought because it was this late in the process it might be better to start with this portion of the bill and add what he wants to do in an other session.

**SENATOR WHEAT** said **SENATOR GLASER** had pointed out that it was already in the bill on page 1 subsection 3.

**SENATOR GEBHARDT** wondered what the taxing authority or general powers of authority that the bill gives to this. He said it appeared to him they had the same authority as the cities and counties.

**REPRESENTATIVE BROWN** replied where it says tax levy it states "receive or disperse federal or state funds made available by a tax levy", to him that meant if a federal, state, public or private organization already had the levy that they wanted to contribute to this authority, they could disperse that money. He did not think this bill would allow them to levy a tax themselves.

**Closing by Sponsor:**

**REPRESENTATIVE BROWN** said he believed this was a good vehicle for those who wanted to solve transportation challenges in their community. He maintained it was local control at its best, and he hoped the committee would give it a do pass recommendation.

**EXECUTIVE ACTION ON HB 635**

Motion/Vote: SEN. ESP moved that HB 635 BE CONCURRED IN. Motion carried unanimously.

EXECUTIVE ACTION ON HB 583

Motion/Vote: SEN. BLACK moved that HB 583 BE CONCURRED IN. Motion carried unanimously.

EXECUTIVE ACTION ON HB 520

Motion/Vote: SEN. SQUIRES moved that HB 520 BE CONCURRED IN. Motion carried 9-1 with ESP voting no.

EXECUTIVE ACTION ON HB 269

Motion: SEN. ESP moved that HB 269 BE CONCURRED IN.

Motion/Vote: SEN. ESP moved that HB 269 BE AMENDED.

Leanne Kurtz explained the amendment.

Vote: Motion carried unanimously.

Motion: SEN. ESP moved that HB 269 BE CONCURRED IN AS AMENDED.

Motion: SEN. GEBHARDT moved that AMENDMENT 26902.ALK DO PASS.

Discussion:

SENATOR GLASER wondered if the 18 months was definite or at least once every 18 months.

SENATOR WHEAT replied is said at least once every 18 months.

SENATOR SQUIRES asked if it did anything with national codes.

SENATOR GLASER said the fire code was one general book and then there are technical codes associated with the fire code that change all the time. He replied this bill did not change any of those codes, except it repairs them for accepting the new international code.

**SENATOR SQUIRES** replied it did not make a difference if they change the inspection times.

**SENATOR GLASER** said the statute would prevail over the code.

**SENATOR SQUIRES** wondered if **SENATOR GEBHARDT** had asked the fire marshal about that.

**SENATOR GEBHARDT** said they would like to have that done because they are not able to comply with the statute right now.

**SENATOR ESP** said someone should check with OPI to see if there are accreditation standards or building standards that would require fire inspections more often.

**SENATOR LAIBLE** replied he did not think it was a good idea to change the statutes because agencies were not complying.

**SENATOR WHEAT** said he was sensitive to what **SENATOR ESP** had said.

**SENATOR GEBHARDT** withdrew his motion.

**SENATOR BOHLINGER**, replied they would wait to consider HB 269.

**SENATOR ESP** withdrew his motion.

*{Tape: 2; Side: B}*

Motion/Vote: SEN. ELLIOTT moved that HB 269 BE INDEFINITELY POSTPONED. Motion carried unanimously.

EXECUTIVE ACTION ON HB 339

Motion/Vote: SEN. ESP moved that HB 339 BE CONCURRED IN. Motion carried unanimously.

**ADJOURNMENT**

Adjournment: 4:30 P.M.

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SEN. JOHN C. BOHLINGER, Chairman

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PHOEBE OLSON, Secretary

JB/PO

**EXHIBIT** (los53aad)